

AMENDED IN ASSEMBLY APRIL 28, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1123

Introduced by Assembly Member Wyland

February 22, 2005

An act to ~~amend Section 679 of~~ *add Section 678.3 to* the Insurance Code, relating to insurer liability.

LEGISLATIVE COUNSEL'S DIGEST

AB 1123, as amended, Wyland. Insurance: renewal: liability.

Existing law provides that there shall be no liability on the part of, and no cause of action of any nature shall arise against, any insurer, agent, broker, or other specified person for any statement made, unless shown to have been made in bad faith with malice in fact, by any of them in specified communications involving the cancellation of a policy, or in evidence submitted at certain proceedings in which the cancellation is an issue.

This bill would apply these protections, in addition, to communications and evidence involving the nonrenewal of a policy *for insurers that issue professional liability insurance policies to health care providers.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 678.3 is added to the Insurance Code, to*
- 2 *read:*
- 3 *678.3. There shall be no liability on the part of, and no cause*
- 4 *of action of any nature shall arise against, any insurer which*

1 *issues professional liability insurance policies to health care*
2 *providers or its authorized representatives, agents, or employees,*
3 *or any licensed insurance agent or broker, for any statement*
4 *made, unless shown to have been made in bad faith with malice*
5 *in fact, by any of them in any of the following:*

6 *(a) A written notice of nonrenewal, or any other oral or*
7 *written communication specifying the reasons for nonrenewal of*
8 *a policy issued to a health care provider.*

9 *(b) Any communication providing information pertaining to*
10 *the nonrenewal.*

11 *(c) Evidence submitted at any court proceeding or informal*
12 *inquiry in which the nonrenewal is an issue.*

13 ~~SECTION 1. Section 679 of the Insurance Code is amended~~
14 ~~to read:~~

15 ~~679. There shall be no liability on the part of, and no cause of~~
16 ~~action of any nature shall arise against, any insurer or its~~
17 ~~authorized representatives, agents, or employees, or any licensed~~
18 ~~insurance agent or broker, for any statement made, unless shown~~
19 ~~to have been made in bad faith with malice in fact, by any of~~
20 ~~them in any of the following:~~

21 ~~(a) Any written notice of cancellation or nonrenewal, or any~~
22 ~~other oral or written communication specifying the reasons for~~
23 ~~cancellation or nonrenewal.~~

24 ~~(b) Any communication providing information pertaining to~~
25 ~~the cancellation or nonrenewal.~~

26 ~~(c) Evidence submitted at any court proceeding or informal~~
27 ~~inquiry in which the cancellation or nonrenewal is an issue.~~